

MASTER AGREEMENT

1. PURPOSE

The purpose of this Agreement is to state the terms and conditions under which

Sprint, a limited partnership formed under the laws of the state of Delaware (hereinafter called the "Contractor"), will provide a state-wide telecommunications relay service (known as the California Relay Service, hereinafter called CRS) through which hearing-impaired and speech-impaired persons are provided with access to the telecommunications network in California functionally equivalent to that provided to other telecommunications customers. In accordance with California Code of Regulations, Title 20, Public Utilities Code §2881, the CRS is under the authority of the California Public Utilities Commission (hereinafter called "CPUC") and under the oversight of the CPUC's Deaf and Disabled Telecommunications Program Administrative Committee (hereinafter called "DDTPAC") and the California Relay Service Advisory Committee (hereinafter called "CRSAC").

2. TERM OF AGREEMENT

This Agreement is effective upon signing by the Contractor and the DDTP and formal approval of the CPUC. The term of this Agreement shall be from CPUC approval through October 11, 1999, subject to the availability of funds, unless earlier terminated by the DDTP in accordance with the termination provisions contained in Paragraphs 23 and 24 herein. The DDTP shall have the option to extend this Agreement for up to two one-year terms as further set forth in the DDTP Invitation to Bid (IFB).

3. PROJECT MANAGERS

The Project Managers for the Contractor shall be

John E. Moore

125 Airport Road

Concord, NH 03301

The Project Manager for the DDTP shall be

Ms. Shelley Bergum, Executive Director
DDTP
1939 Harrison Street, Suite 520
Oakland, California 94612

The DDTP may change its Project Manager at any time upon written notice to the Contractor by the DDTP's Executive Director. The Contractor's Project Manager shall not be changed without the written approval of the DDTP's Project Manager.

All correspondence and transmittals of formal notifications concerning this Agreement shall be addressed to the Project Managers. The Project Managers shall handle all communications in a timely manner. All formal notices shall be deemed to be delivered five days after mailing by registered or certified mail, return receipt requested. A change of address shall be noticed in the same manner.

4. SCOPE OF WORK

The Contractor shall establish and implement the CRS in accordance with the DDTP's IFB (attached hereto as Exhibit A) as modified by the Contractor's proposal, including written responses to staff questions (attached hereto as Exhibit B and hereinafter referred to as "Contractor's Proposal"), each of which is made a part hereof for all purposes. The terms and conditions of the Master Agreement take precedence over the IFB, which takes precedence over the contractor's proposal.

Beginning on date of CPUC approval and lasting for the term of this Agreement, the Contractor shall be designated as a provider of CRS within the State of California as authorized by CPUC ruling.

The Contractor shall retain management control of the relay service center(s) provided by said Contractor.

To accomplish the objectives of the CPUC, the DDTP and the Contractor will coordinate and consult on an ongoing basis concerning such matters as, but not limited to, operator proficiencies and training, quality of service and call handling procedures. The Contractor agrees to implement any reasonable recommendations proposed by the DDTP after such recommendations and costs have been approved by the CPUC. When approved, the costs incurred by the Contractor in implementation of any such recommendations are eligible for reimbursement in accordance with the compensation provisions of Paragraph 7.

5. COST CONTROL AND LIMITATION

The Contractor shall establish a budget detail for the first year of their participation on this project and shall submit a copy to the DDTP for review and approval prior to finalizing this Agreement. The Contractor shall submit a budget annually, according to the timeframe requested by the DDTPAC, for the remainder of its term.

6. SCHEDULING AND COMPLETION OF WORK

The Contractor, if designated the Primary Contractor, shall initiate the CRS on a state-wide basis at the time specified in the Key Action Dates set forth in Section 1 of the DDTP's IFB, subject to the approval of this Agreement by the CPUC. Contractors not designated "Primary" by the DDTP may initiate CRS on a state-wide basis at the terms and rates established in this Master Agreement and subject to the approval of the CPUC, but must do so no later than five (5) months after such approval.

Time is of the essence in the Agreement and, accordingly, all time limits shall be strictly construed and strictly enforced. The Contractor's failure to meet a deadline imposed hereunder shall be considered a material and significant breach of this Agreement and shall entitle the DDTP to any and all liquidated damages set forth in Paragraph 26.

The Contractor shall submit to the Project Manager of the DDTP a detailed work plan including time lines consistent with the service start-up plan included in the Contractor's proposal and the IFB which details the establishment and implementation of the state-wide CRS and the associated time frames. The Contractor shall submit a work plan to the DDTP no later than fourteen (14) calendar days from the date the CPUC approves this Agreement.

The DDTP shall review the Contractor's work plan and authorize its implementation on a mutually agreed to service date. Approval by the DDTP Executive Director of the Contractor's work plan shall in no way relieve or release the Contractor from any other obligations to properly perform and complete the establishment and implementation of a CRS in accordance with this Agreement.

7. COMPENSATION

The Contractor shall be reimbursed for invoices submitted based on actual monthly call volumes billed at the rate established in the "Primary Contractors" response to this IFB and set forth as \$.89 per conversation minute plus any additional cost items approved by both the DDTP and the CPUC.

The DDTP will not compensate the Contractor for any costs incurred for start up or termination of the operation of their CRS.

8. INVOICES AND PAYMENTS

Original, signed invoices shall be submitted monthly to the DDTP Project Manager. The DDTP shall assure that all invoices are processed in a timely manner.

9. RECORDS MANAGEMENT

All such records, documents, communications, and other materials shall be the property of the DDTP and shall be maintained by the Contractor in a central location as custodian, in behalf of the DDTP, for a period of three (3) years from the date of the final payment under this Agreement, or for such further period as may be necessary to resolve any matters which may be pending, or until an audit has been completed with the following qualifications: If an audit by or on behalf of any duly authorized governmental agency of the State of California has begun but is not completed at the end of the three (3) year period, or if audit findings have not been resolved after a three (3) year period, the materials shall be retained until the resolution to the DDTP's satisfaction of the audit findings.

11. AUDITS AND INSPECTIONS

The Contractor, by signing this Agreement, authorizes the DDTP or its agents to perform audits and/or inspection of its records at DDTP expense at any reasonable time during the term of this Agreement and for a period of three (3) years following the date of final payment under this Agreement to assure compliance with its terms and/or to evaluate the Contractor's performance hereunder. Should any such audit or inspection establish noncompliance with this Agreement, either in the manner in which conversation minutes are accounted for or in that which they are billed, which caused a monthly invoice to be overstated by 3% or more, the Contractor shall promptly reimburse the DDTP all costs of such audit or inspection. Contractor shall promptly remit to DDTP any amounts by which invoices were overstated. DDTP shall remit to contractor any amounts by which invoices were understated.

12. PERFORMANCE MONITORING

The Contractor shall permit the DDTPAC, CRSAC and any other duly authorized agent or governmental agency to monitor, at Contractor's expense, all such activities conducted by the Contractor pursuant to the terms of this Agreement. As the monitoring agency may in its sole discretion deem necessary or appropriate, such monitoring may consist of evaluation of internal operating and management procedures, examination of program data, special analyses, on-site checking, or any other reasonable procedure.

The DDTP may observe and utilize the Contractor's technique for assuring the accuracy of relayed communications, operator procedures, training procedures, office procedures and testing procedures. The DDTP may not monitor the relay of actual conversation without the approval of both parties to the conversation. The DDTP may arrange for

calls to test the accuracy of relayed communications or other factors relating to full and equal access without the permission of the Contractor or the operator involved. Such calls will not be identified as test or monitoring calls.

All monitoring shall be performed in a manner that will not unduly interfere with provision of services by the Contractor hereunder. However, since CRS is to be a 24 hour, 7 days a week service, the monitoring may occur at any time. Duly authorized agents of the DDTP shall have the right to make on-the-spot checks at any time without any warning. The Contractor shall make provisions to allow agents of the DDTP this capability.

The fact that such monitoring is undertaken shall in no way relieve or release the Contractor from its obligation to properly perform its duties in accordance with the Agreement nor from Contractor's full responsibility for damages or loss caused by Contractor, its subcontractors, employees or agents. The Contractor's obligations referenced under this paragraph shall be continual and shall not be affected by DDTP acceptance of invoices. DDTP shall not be required to request any changes based on the monitoring undertaken pursuant to this Paragraph 12.

13. PERFORMANCE BOND

Faithful Performance bonds shall be furnished in the manner described in Section 5 of the IFB.

14. SUBCONTRACTS

For any subcontracts anticipated to equal 15% or more of the contractor's reimbursement, the contractor shall submit any proposed subcontracts to the DDTP for its written approval before entering into the same. No such work shall be subcontracted without the prior approval of the DDTP Project Manager. For purposes of this Agreement, any subcontractors identified in the Contractor's response to this IFB are considered approved. Upon the termination of any such subcontract, the DDTP shall be notified immediately.

15. RELATIONSHIP WITH CONTRACTOR AND SUBCONTRACTOR

The Contractor shall be responsible for all actions of its subcontractors and all payment to its subcontractors. Failure of a subcontractor to perform for any reason shall not relieve the Contractor of the responsibility for competent and timely performance of all duties under this Agreement. The DDTP will not deal with subcontractors except through the Contractor's Project Manager. All agreements with subcontractors shall provide that the subcontractor's sole remedy for non-payment by the Contractor under

subcontracts shall be against the Contractor, and not result in liens or claims of any sort against the DDTP.

All requests for changes of work within this Agreement shall be in writing between the Project Manager for the DDTP and the Project Manager for the Contractor.

16. ASSIGNMENT

The Contractor may not transfer by assignment, subcontract, or novation its obligation to perform under this Agreement or any part thereof, without the prior written approval of the Executive Director of the DDTP.

The Contractor may not, without prior written consent of the DDTP's Executive Director, assign any right that it may have under this Agreement; consent may be given or withheld at the sole discretion of the DDTP, provided that such assignment is expressly made subject to all defenses, set offs or counter claims which would be available to the DDTP against the Contractor in the absence of such assignment. Such assignment must be in writing and delivered to the DDTP not less than fourteen (14) calendar days prior to the rendering of any invoice, or simultaneously with the rendering of any invoice and attached conspicuously to said invoice.

The DDTP's consent to one or more assignment(s) or subcontractors hereunder shall not constitute a waiver or diminution of the DDTP's absolute right to consent to each and every subsequent assignment or subcontractor.

In the event of any subcontract hereunder to which the DDTP has consented, each such subcontract shall contain a provision that further assignments shall not be made to any third or subsequent tier subcontractor without additional written consent of the DDTP.

17. INSURANCE COVERAGE

The Contractor shall provide insurance coverage for itself and all of its employees used in connection with performance of services under this Agreement, and insure that all subcontractors shall be similarly covered. Such policies shall be issued by a financially sound carrier and/or carriers and shall be subject to the reasonable approval of the DDTP. Copies of certificates of insurance naming the DDTP as an additional insured shall be provided to the DDTP. Such insurance coverage shall hold the DDTP harmless from all claims of bodily injury, including death, and property damage, including loss of use, by Contractor, its employees, agents or subcontractors and their employees. This insurance will include Worker's Compensation as required by law; comprehensive general liability and bodily injury insurance in amount that are commercially reasonable

under the given circumstances.

18. REGULATORY AUTHORITY

The Contractor assumes responsibility for compliance with all regulatory requirements of the CPUC, as well as all other applicable laws, ordinances, regulations and rules of federal, state and municipal governments or agencies thereof and shall be liable for any damages caused by violations thereof.

19. CONFLICT OF INTEREST

The Contractor warrants that neither it nor its subsidiaries are currently engaged in any relationship which could result in a conflict of interest in the performance of this Agreement. The Contractor further agrees to refrain from entering into any such relationship, and to notify the Project Manager of the DDTP promptly of any potential conflict of interest for itself or its subcontractors. The DDTP may exercise its option to terminate this Agreement if a conflict is found.

20. INCORPORATION OF REPRESENTATIONS AND WARRANTIES: FURTHER REPRESENTATIONS AND WARRANTIES

This Agreement expressly incorporates the Contractor's representations, certifications and warranties in Exhibits A and B and in other provisions of this Agreement.

The Contractor further represents and warrants:

- a. The Contractor is a corporation duly organized, validly existing in good standing under the laws of the State of Delaware. The Contractor has all necessary power and authority under applicable corporate law and its organizational documents to own or lease its properties and to carry on the business as it is presently conducted.
- b. The Contractor has full corporate power and authority to execute, deliver and perform this Agreement. The execution and delivery of this Agreement and performance under this Agreement have been duly and validly authorized by all necessary corporate action on the part of the Contractor. This Agreement has been duly executed and delivered and attested to by duly authorized officers of Contractor and is a valid and binding agreement, enforceable against the Contractor in accordance with its terms.

21. GENERAL INDEMNIFICATION; SPECIFIC INDEMNIFICATION REGARDING PATENT AND COPYRIGHT INFORMATION; NOTICES OF PROCEEDINGS

The Contractor agrees to indemnify, defend and hold harmless the DDTP and its officers, agents and employees from any and all claims and losses arising from or relating to any and all contractors, subcontractors, materialmen, laborers and any other persons, firms or corporations furnishing or supplying work, services, materials or supplies in connection with the performance of this Contract, and from any and all claims and losses arising from or relating to any person, firm or corporation that may be injured or damaged by the Contractor in performance of this Agreement.

The Contractor, at its expense, will defend any claim or suit which may be brought against the DDTP for infringement of United States patents or copyright arising from the Contractor's or CRS's use of any equipment, materials, or information acquired, prepared, or developed by the Contractor in connection with the performance of this Agreement, and, in any suit, will satisfy any final judgment for such infringement. The DDTP will give the Contractor written notice of such claim or suit and full right and opportunity to conduct the defense thereof, together with full information and all reasonable cooperation. The DDTP may participate in the defense of such action, but no costs or expenses shall be incurred for the account of either party by the other without the other party's written consent.

The Contractor shall promptly notify DDTP in the event that the Contractor learns of any litigation in which it or the DDTP is a party defendant in a case which involves services provided under this Agreement. The Contractor, within five (5) calendar days after being served a summons, complaint or other pleading which has been filed in any federal or state court or any administrative agency, shall deliver copies of such document(s) to the DDTP. The term "litigation" includes an assignment for the benefit of creditors, and bankruptcy, reorganization and/or foreclosure filings.

22. OWNERSHIP OF THE CRS 800 NUMBERS

The DDTP shall retain ownership of the current CRS 800 numbers. The DDTP shall offer the use of those numbers to the primary contractor during the term of this agreement.

23. TERMINATION FOR CAUSE

The DDTP may terminate this Agreement with cause upon written notice to the Contractor. After receiving written notice of said cause, the Contractor shall have forty-five (45) calendar days to cure said cause, except in the case of bankruptcy or insolvency in which case the 45 day period shall not be applicable. If it is impossible for the Contractor to cure said cause within forty-five (45) calendar days, it will be sufficient for the Contractor to show that it is taking all reasonable steps to cure said cause in any expeditious manner. If the Contractor fails to cure said cause to the reasonable

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The parties acknowledge that in the event of a failure by the Contractor to meet the performance requirements listed in the IFB (Exhibit A), damage shall be sustained by the DDTP and that it is and will be impractical and extremely difficult to ascertain and determine the actual damages which the DDTP will sustain in the event of and by reason of such failure; and the Contractor therefore agrees that it will pay the DDTP for such failures, at the sole discretion of the DDTP, the amounts set forth below.

The sole purpose of liquidated damages is to assure adherence to the performance requirements in the contract. The liquidated damages amounts set forth below have been agreed upon by the parties as a reasonable estimate of damages. No punitive intention is inherent. Written notification of each failure to meet a performance requirement will be given by the DDTP to the Contractor. In the event the Contractor has not met the performance requirements by the due date, liquidated damages may be imposed retroactively to such date.

Excessive Call Blockage

The minimum standard is that no more than a daily average of 1% of all calls to CRS shall receive a busy signal. Liquidated damages are \$2,000 per day for each calendar day the blockage rate requirement is not met.

Excessive Time to Answer Calls

The minimum standard is that calls to CRS be answered with an average daily answer time of 7 seconds, to assure that 85% of all calls are answered within 10 seconds. Liquidated damages are \$2,000 per day for each calendar day the answer time requirement is not met.

27. COLLECTION OF DAMAGES (ACTUAL AND LIQUIDATED)

Amounts due the DDTP as actual or liquidated damages may be deducted by the DDTP from any money payable to the Contractor pursuant to the Agreement or otherwise as a debt due the DDTP. The DDTP shall notify the Contractor in writing of any claim for actual or liquidated damages pursuant to this provision at least ten (10) calendar days prior to the date the DDTP deducts such sums from money payable to the Contractor.

28. SEVERABILITY

During any period in which any provision of this Agreement shall be held unlawful or otherwise unenforceable, such provision shall be severed and deemed deleted, and the remainder of this Agreement shall continue in full force and effect as if such provision had never existed.

satisfaction of the DDTP within such time, the DDTP shall so notify the Contractor by written notice.

For purposes of this Agreement, cause shall be defined to include, but shall not be limited to, such actions as: failure to establish the CRS in accordance with the terms of this Agreement; gross mismanagement, fraud, wanton and material negligence; adjudicated bankruptcy, or otherwise becoming insolvent; any substantial violation of any laws, ordinances, regulations or rules of any federal, state, or municipal governmental authorities; or any major breach of the Contractor's agreement to comply with professional standards and practices relating to the CRS.

In the event that this Agreement is terminated for cause, the Contractor shall only be paid for all services performed to the standards defined herein at the rate stipulated herein prior to termination. The Contractor shall not be entitled to any termination costs. In addition to these remedies, the DDTP shall retain the right to seek any and all additional rights and remedies afforded by law.

24. TERMINATION AT DDTP'S OPTION

The DDTP may at its option terminate this Agreement at any time upon giving ninety (90) calendar days notice in writing to the Contractor. In such event, the Contractor agrees to use all reasonable efforts to mitigate its expenses and obligations hereunder. In such event, the DDTP shall pay the Contractor for all satisfactory services at the rate stipulated herein. The Contractor shall not be afforded any termination costs.

The DDTP shall retain the right to terminate any Mandatory-Optional item with 30 days notice to the Contractor without nullifying any other contract provisions for services.

25. FORCE MAJEURE

Neither the DDTP nor the Contractor shall be considered in default in the performance of its obligations under this Agreement to the extent that the performance of such obligations is prevented or delayed by any cause beyond the reasonable control of the affected party which such party could not, by due diligence, have avoided. Such causes, including but not limited to, acts of God, acts of governmental authority, floods, explosions and riots, shall not relieve the affected party of liability in the event of its failure to use diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch and to give notice and full particulars of the same in writing to the other parties as soon as possible after the occurrence of the cause that prevented or delayed performance of obligations.

26. LIQUIDATED DAMAGES FOR FAILURE TO MEET PERFORMANCE REQUIRE-

29. HEADINGS

The headings used in this Agreement are for the convenience of reference only and not intended, to any extent for any purpose, to limit or define the text of any paragraph herein.

30. GOVERNING LAW

This Agreement shall be governed by the laws of the State of California as applied to contracts formed and wholly performed in California, and enforced in and by the courts in the State of California.

31. WAIVER

Waiver, whether formal or constructive, by DDTP of strict performance of any provision of this Agreement in any specific instance shall not be deemed a waiver of, nor shall it prejudice DDTP's right to require strict performance of, the same provision or any other provision in the future.

32. TAXES, FEES AND LICENSES

All sales, property, excise and other federal, state and local taxes, licenses or fees, if any, resulting from this Agreement shall be paid by the Contractor.

33. MODIFICATIONS TO AGREEMENT

The DDTP may request, at its sole discretion and by written notice, that certain changes be made to the general scope of work without invalidating this Agreement. No changes in the scope of work shall be made by the Contractor without the prior written approval of the Executive Director of the DDTP.

Upon receipt of any such written request from the Executive Director of the DDTP for a change to the general scope of work, the Contractor at Contractor's expense shall within a reasonable time thereafter, submit to the DDTP a detailed written price and schedule adjustment to this Agreement. The Contractor shall not begin such work prior to DDTP approval of the modification and associated costs.

This Agreement and all obligations hereunder are subject to all applicable laws, rules, obligations and orders or ruling of any authorized court, agency or commission of federal or California government. This Agreement is subject to changes or modifications that may from time to time be directed by the Federal Communications Commission or the State of California. Any such changes or modifications shall be subject to

the procedure set forth in this Agreement.

34. CONFLICTING DOCUMENTS

To the extent, if any, that this Agreement conflicts with the IFB and/or Contractor's proposal, this Agreement shall take precedence and control. To the extent, if any, that the IFB and the Contractor's proposal conflict, the Contractor's proposal shall take precedence and control.

35. ENTIRE AGREEMENT: COUNTERPARTS

This Agreement, incorporating Exhibits A and B, constitutes the entire Agreement between the parties hereto. No other Agreement, statement, or promise relating to the subject matter of this Agreement which is contained herein shall be valid or binding. No changes, alternatives or modifications hereto shall be effective unless in writing and signed by a representative of each party authorized to bind said party. This Agreement may be executed in several counterparts, each of which will be deemed an original and all of which shall constitute one and the same instrument.

Executed this 10th day of September, 199⁷~~6~~. 1997

For the Deaf and Disabled Telecommunications
Program Administrative Committee:

Shirley Thomas

For the Contractor:

Donald League



AMENDED MASTER AGREEMENT FOR CRS SERVICES

This Amended Master Agreement for CRS Services ("Agreement") is entered into as of the date of CPUC approval between Deaf and Disabled Telecommunications Program Administrative Committee ("DDTPAC") and Sprint Communications Company L.P. ("Sprint" or "Contractor").

RECITALS

- A. Pursuant to state legislation and the directives of the California Public Utilities Commission ("CPUC"), the DDTPAC administers telecommunications programs for California residents who are deaf, hearing impaired, or disabled. These programs include the provision of the California Relay Service ("CRS").
- B. In 1996, DDTPAC entered into a contract with MCI Telecommunications Corporation ("MCI") to act as the Primary Provider of CRS in California. While other contractors also may offer CRS services in California as Secondary Providers, none have elected to do so until the present time.
- C. Sprint desires to offer CRS as a Secondary Provider on the terms and conditions set forth in this Agreement.

Therefore, in consideration of the mutual covenants contained herein and for other valuable consideration, the parties agree as follows:

- 1. Except as specifically provided in this Agreement, Sprint and DDTPAC agree to each of the terms and conditions set forth in the Master Agreement, attached hereto as Exhibit "A", (the "Master Agreement"). Except as specifically provided in this Agreement, each of the terms and conditions set forth in the Master Agreement are made a part of this Agreement as if set forth in their entirety. In the event of a conflict between this Agreement and the Master Agreement, this Agreement shall govern.
- 2. Section 2 of the Master Agreement is replaced with the following:

"This Agreement is effective upon signing by the Contractor and DDTP and formal approval of the CPUC. The term of this Agreement shall be from the date of CPUC approval through October 11, 1999, subject to

the availability of funds, unless earlier terminated by the DDTP or Sprint in accordance with the termination provisions contained in Paragraph 23, 24, and 36, herein. The DDTP shall have the option to extend this Agreement for up to two one-year terms as further set forth in the DDTP Invitation to Bid ("IFB")."

3. With respect to Section 3 of the Master Agreement, Sprint shall identify, in writing, its Project Managers on or before the date that DDTP and Sprint execute this agreement.
4. With respect to Section 4 of the Master Agreement, the Contractor shall be designated as a provider of CRS within the State of California as authorized by the CPUC ruling granting approval, and lasting for the term of this Agreement.
5. Section 7 of the Master Agreement is replaced with the following:

"The Contractor shall be reimbursed for invoices submitted based on actual monthly call volumes billed at the rate of \$0.89 per conversation minute plus any additional cost items approved by both the DDTP and the CPUC. The \$0.89 per conversation minute shall apply irrespective of the volume of traffic carried by Contractor. No additional amount, including the premium set forth in Section 7 I.D of the IFB, shall be payable to the Contractor. The parties agree that Section 7 I.D of the IFB is void and deleted.

The DDTP will not compensate the Contractor for any costs incurred for start up or termination of the operation of its CRS or for the Contractor's marketing efforts."

6. Effective commencing on the date four months following the first day upon which the Contractor first offers CRS in California under this Agreement, the last two paragraphs of Section 26 of the Master Agreement, entitled "Excessive Call Blockage" and "Excessive Time to Answer Calls" are replaced with the following:
 - "(1) The Liquidated Damage should be assessed on every relay center of each CRS service provider for the non-compliance of each service performance requirement. The service performance requirements, as stated on page 75 of the Master Agreement, are 'excessive call blockage' and 'excessive time to answer calls.'
 - (2) The Liquidated Damages should be modified from the current \$2,000 per day for each calendar day of non-compliance of each performance requirement to \$2,000 plus an incremental amount of 10% of the additional amount in gross revenue collected between the new reimbursement rate of \$0.89 per conversation

minute and the current rate of \$0.699 for the first day of non-compliance of each performance requirement.

- (3) For each additional day of continuous non-compliance of each performance requirement at every relay service center of each CRS provider, the incremental 10% amount (plus the initial \$2,000) will be increased by an amount of 10% of the incremental gross revenues collected per day between the two rates.
- (4) After ten days of continuous non-compliance of each performance requirement, the fine will increase to a maximum of 100% of incremental gross revenue collected per day between the two rates (plus the initial \$2,000 per day).
- (5) Thereafter, for each additional day after the tenth day of continuous non-compliance of each performance requirement for every relay center of each CRS provider, the liquidated damages will be \$2,000 plus 100% of incremental revenues collected per day between the two rates.
- (6) A waiver period of four months from the new liquidated damages is granted to the new alternative CRS providers to allow these providers to bring the quality of CRS up to meet contractual requirements. These alternative providers will pay a flat \$2,000 per day for each calendar day for non-compliance of each service performance requirement specified in the Master Agreement for the first four months of the contract. After the initial waiver period, the new liquidated damages will apply to these alternative CRS providers.
- (7) The DDTPAC will have the latitude to negotiate for each alternative CRS provider the date on which the revised Liquidated Damages provisions, including the four-month period, will begin to apply. For each alternative provider, that date shall be no later than the date [sic] on which the provider begins offering relay services to customers.
- (8) In any event, the total incremental liquidated damages per day for non-compliance of both performance requirements will not exceed the incremental revenues collected by the offending provider."

7. The following is added as Section 36 to the Master Agreement:

"Section 36. Optional Termination.

Either DDTP or Contractor (as a Secondary Provider) may terminate this Agreement at any time upon giving 45 days written notice to the other party, provided that Contractor is not the sole entity providing CRS in California either at the time of giving notice or at the time that such notice would become effective."

8. Sprint agrees to offer Relay Service to Californians pursuant to terms of the Amended Master Agreement and consistent with the terms and conditions set forth in Resolution T-16031. In case of conflicts, Resolution T-16031 shall govern except as noted below:
- a) Sprint agrees to satisfy all technical requirements enumerated in the Master Agreement within four months of the effective date of this resolution except Enhanced Protocol, which will be required to be offered within seven months.
9. Sprint shall make all filings listed in Resolutions T-16017 and T-16031 with the Director of Telecommunications Division.
10. Sprint's response to Section II. E. Access Numbers of Section 6 Technical Standards of the IFB is replaced with the following:
- "As a Secondary Provider, Sprint will receive CRS call via voice, baudot, and Spanish toll free numbers. In addition, Sprint, will implement a fourth number for ASCII callers."
11. DDTP and Sprint agree that Sprint's response to Section III, Price Quotation, B. Mandatory-Optional Items, is deleted subject to renegotiation of price and specifications should DDTP wish to purchase either of these features.
12. All other terms and conditions of the Master Agreement, the IFB and Sprint's response to the IFB remain in full force and effect.
13. Should any provision of this Agreement shall be held unlawful or otherwise unenforceable, such provision shall be severed and deemed deleted, and the remainder of this Agreement shall continue in full force and effect as if such provision had never existed.
14. This Agreement, incorporating all Exhibits hereto, constitutes the entire Agreement between the parties. No Agreement, statement, or promise relating to the subject matter of this Agreement, other than which is

contained herein, shall be valid or binding. No changes, alternatives or modifications hereto shall be effective unless in writing and signed by a representative of each party authorized to bind said party. This Agreement may be executed in several counterparts, each of which will be deemed an original and all of which shall constitute one and the same instrument.

15. This Agreement shall be governed by California Law.

Sheila Thomson
Representing the DDTPAC

Don E. Teague
Representing Sprint
Communications Company L.P.

September 3, 1997
Date

September 3, 1997
Date

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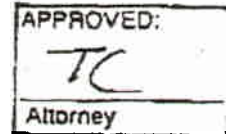
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Sheila Thomson
Representing the DDTPAC

September 3, 1997
Date


Don E. Teague
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Sheila Thomson
Representing the DDTPAC

Don E. Teague
Representing Sprint
Communications Company L.P.

September 3, 1997
Date

September 3, 1997
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FIRST AMENDMENT TO AMENDED MASTER AGREEMENT FOR CRS SERVICES

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RECITALS

- A. Pursuant to state legislation and the directive of the California Public Utilities Commission ("CPUC"), the DDTPAC administers telecommunications programs for California residents who are deaf, hearing impaired, or disabled. These programs include the provision of the California Relay Service ("CRS").
- B. In 1996, DDTPAC entered into a contract with MCI Telecommunications Corporation to act as the Primary Provider of CRS in California pursuant to the terms and conditions of a written master agreement (the "Master Agreement"). In September 1997, DDTPAC entered into a contract with Sprint (the "Amended Master Agreement") to act as a Secondary Provider of CRS in California. The Amended Master Agreement incorporates the terms and conditions of the Master Agreement except as specifically provided in the Amended Master Agreement.
- D. Sprint has informed DDTPAC that it cannot continue to provide CRS in California without revisions to both the rate structure and the liquidated damages provision contained in the Amended Master Agreement. DDTPAC has agreed to make Sprint's requested changes to the parties' agreement subject to the approval of the California Public Utilities Commission.

Therefore, in consideration of the mutual covenants contained herein and for other valuable consideration, the parties agree as follows:

- 1. Section 7 of the Master Agreement and Paragraph 5 of the Amended Master Agreement are replaced with the following:

"The Contractor shall be reimbursed for invoices submitted based on actual monthly call volumes billed at the rate of \$1.09 per conversation minute plus any additional cost items approved by both the DDTP and the CPUC. The \$1.09 per conversation minute shall apply irrespective of the volume of traffic carried by Contractor. No additional amount, including the premium set forth

in Section 7 I.D. of the IFB, shall be payable to the Contractor.
The parties agree that Section 7 I.D. of the IFB is void and deleted.

The DDTP will not compensate the Contractor for any costs incurred for start up or termination of the operation of its CRS or for the Contractor's marketing efforts. Contractor agrees to expend an amount annually of not less than \$200,000 to promote the use of CRS within the State of California."

2. The last two paragraphs of Section 26 of the Master Agreement, entitled "Excessive Call Blockage" and "Excessive Time to Answer Calls" and Paragraphs 6(1)-6(8) of the Amended Master Agreement are replaced with the following:

- (1) The Liquidated Damage should be assessed on each CRS service provider for the non-compliance of each service performance requirement. The service performance requirements, as stated on page 75 of the Master Agreement, are 'excessive call blockage' and 'excessive time to answer calls.' For the purposes of assessing liquidated damages, call blockage for CRS calls shall be measured and reported on the basis of the contractor's total network blockage statistics. All blocked CRS-bound calls reaching the contractor's TRS network shall be reported.

For the purposes of assessing liquidated damages, average speed of answer (ASA) shall be measured and reported as a daily weighted average statistic for all centers within the contractor's TRS network handling CRS calls.

- (2) The Liquidated Damages should be modified from the current \$2,000 per day for each calendar day of non-compliance of each performance requirement to \$2,000 plus an incremental amount of 10% of the additional amount in gross revenue collected between the new reimbursement rate of \$1.09 per conversation minute and the original rate of \$.699 for the first day of non-compliance of each performance requirement.
- (3) For each additional day of continuous non-compliance of each performance requirement by each CRS provider, the incremental 10% amount (plus the initial \$2,000) will be increased by an amount of 10% of the incremental gross revenues collected per day between the two rates.
- (4) After ten days of continuous non-compliance of each performance requirement, the fine will increase to a maximum of 100% of incremental gross revenue collected per day between the two rates (plus the initial \$2,000 per day).
- (5) Thereafter, for each additional day after the tenth day of continuous non-compliance of each performance requirement for each CRS provider, the

liquidated damages will be \$2,000 plus 100% of incremental revenues collected per day between the two rates.

- (6) In any event, the total incremental liquidated damages per day for non-compliance of both performance requirements will not exceed the incremental revenues collected by the offending provider.
3. Section 2 of the Master Agreement and Paragraph 2 of the Amended Master Agreement are replaced with the following:

“This Agreement is effective upon signing by the Contractor and DDTP and formal approval of the CPUC. The term of this Agreement shall be from the date of CPUC approval through October 11, 1999, subject to availability of funds, unless earlier terminated by DDTP in accordance with the termination provisions contained in Paragraphs 23 and 24 herein. The DDTP shall have the option to extend this Agreement for up to two one-year terms as further set forth in the DDTP Invitation to Bid (“IFB”).
4. Paragraph 7 of the Amended Master Agreement (adding Section 36 to the Master Agreement) is deleted in its entirety. Section 36 of the Master Agreement shall be of no force or effect.
5. Section 3 of the Master Agreement is amended to add the following sentence: “Contractor shall identify a Project Manager who is located within California.”
6. All other terms and conditions of the Master Agreement, the IFB and Sprint’s response to the IFB remain in full force and effect.
7. Should any provision of this Agreement be held unlawful or otherwise unenforceable, such provision shall be severed and deemed deleted, and the remainder of this Agreement shall continue in full force and effect as if such provision had never existed.
8. This Agreement constitutes the entire Agreement between the parties. No Agreement, statement, or promise relating to the subject matter of this Agreement, other than which is contained herein, shall be valid or binding. No changes, alternatives or modifications hereto shall be effective unless in writing and signed by a representative of each party authorized to bind said party. This Agreement may be executed in several counterparts, each of which will be deemed an original and all of which shall constitute one and the same instrument.
9. This Agreement shall be governed by California Law.

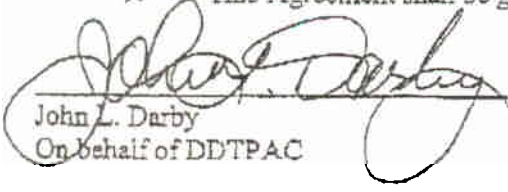
John L. Darby
On behalf of DDTPAC

Don E. Teague
On behalf of Sprint Communications
Company L.P.

liquidated damages will be \$2,000 plus 100% of incremental revenues collected per day between the two rates.

- (6) In any event, the total incremental liquidated damages per day for non-compliance of both performance requirements will not exceed the incremental revenues collected by the offending provider.
3. Section 2 of the Master Agreement and Paragraph 2 of the Amended Master Agreement are replaced with the following:

"This Agreement is effective upon signing by the Contractor and DDTP and formal approval of the CPUC. The term of this Agreement shall be from the date of CPUC approval through October 11, 1999, subject to availability of funds, unless earlier terminated by DDTP in accordance with the termination provisions contained in Paragraphs 23 and 24 herein. The DDTP shall have the option to extend this Agreement for up to two one-year terms as further set forth in the DDTP Invitation to Bid ("IFB")."
4. Paragraph 7 of the Amended Master Agreement (adding Section 36 to the Master Agreement) is deleted in its entirety. Section 36 of the Master Agreement shall be of no force or effect.
5. Section 3 of the Master Agreement is amended to add the following sentence: "Contractor shall identify a Project Manager who is located within California."
6. All other terms and conditions of the Master Agreement, the IFB and Sprint's response to the IFB remain in full force and effect.
7. Should any provision of this Agreement be held unlawful or otherwise unenforceable, such provision shall be severed and deemed deleted, and the remainder of this Agreement shall continue in full force and effect as if such provision had never existed.
8. This Agreement constitutes the entire Agreement between the parties. No Agreement, statement, or promise relating to the subject matter of this Agreement, other than which is contained herein, shall be valid or binding. No changes, alternatives or modifications hereto shall be effective unless in writing and signed by a representative of each party authorized to bind said party. This Agreement may be executed in several counterparts, each of which will be deemed an original and all of which shall constitute one and the same instrument.
9. This Agreement shall be governed by California Law.

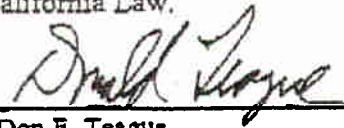

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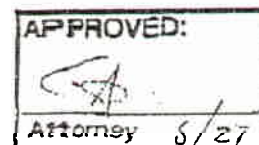
liquidated damages will be \$2,000 plus 100% of incremental revenues collected per day between the two rates.

- (6) In any event, the total incremental liquidated damages per day for non-compliance of both performance requirements will not exceed the incremental revenues collected by the offending provider.
3. Section 2 of the Master Agreement and Paragraph 2 of the Amended Master Agreement are replaced with the following:
- "This Agreement is effective upon signing by the Contractor and DDTP and formal approval of the CPUC. The term of this Agreement shall be from the date of CPUC approval through October 11, 1999, subject to availability of funds, unless earlier terminated by DDTP in accordance with the termination provisions contained in Paragraphs 23 and 24 herein. The DDTP shall have the option to extend this Agreement for up to two one-year terms as further set forth in the DDTP Invitation to Bid ("IFB")."
4. Paragraph 7 of the Amended Master Agreement (adding Section 36 to the Master Agreement) is deleted in its entirety. Section 36 of the Master Agreement shall be of no force or effect.
5. Section 3 of the Master Agreement is amended to add the following sentence: "Contractor shall identify a Project Manager who is located within California."
6. All other terms and conditions of the Master Agreement, the IFB and Sprint's response to the IFB remain in full force and effect.
7. Should any provision of this Agreement be held unlawful or otherwise unenforceable, such provision shall be severed and deemed deleted, and the remainder of this Agreement shall continue in full force and effect as if such provision had never existed.
8. This Agreement constitutes the entire Agreement between the parties. No Agreement, statement, or promise relating to the subject matter of this Agreement, other than which is contained herein, shall be valid or binding. No changes, alternatives or modifications hereto shall be effective unless in writing and signed by a representative of each party authorized to bind said party. This Agreement may be executed in several counterparts, each of which will be deemed an original and all of which shall constitute one and the same instrument.
9. This Agreement shall be governed by California Law.

John Darby
On behalf of DDTPAC



Don E. Teague
On behalf of Sprint Communications
Company L.P.



SECOND AMENDMENT TO AMENDED MASTER AGREEMENT FOR CRS SERVICES

This Second Amendment to Amended Master Agreement for CRS Services ("Agreement") is entered into as of the date of California Public Utilities Commission ("CPUC") approval between the Deaf and Disabled Telecommunications Program Administrative Committee ("DDTPAC") and Sprint Communications Company L.P. ("Sprint").

RECITALS

- A. Pursuant to state legislation and the directives of the CPUC, the DDTPAC administers telecommunications programs for California residents who are deaf, hearing impaired, or disabled. These programs include the provision of the California Relay Service ("CRS").
- B. In 1996, the DDTPAC entered into a contract with MCI Telecommunications Corporation to act as the Primary Provider of CRS in California pursuant to the terms and conditions of a written master agreement (the "Master Agreement"). In September 1997, the DDTPAC entered into a contract with Sprint (the "Amended Master Agreement") to act as a Secondary Provider of CRS in California. The Amended Master Agreement incorporated the terms and conditions of the Master Agreement except as specifically provided in the Amended Master Agreement.
- C. In August 1998, the DDTPAC and Sprint entered into a First Amendment to the Amended Master Agreement which the CPUC approved effective October 22, 1998.
- D. On March 6, 2000, the Federal Communications Commission ("FCC") issued a Report and Order and Further Notice of Rulemaking on telecommunications relay services ("TRS"). The Report and Order amended the FCC's rules governing TRS to expand the types of relay services available to consumers and to improve the quality of relay services. On June 5, 2000, the FCC released the same docket as an Order on Reconsideration establishing the required effective date for the new standards as December 18, 2000, except for required Speech-to-Speech and interstate Spanish relay services, which must be provided by March 1, 2001.
- E. Sprint has informed the DDTPAC that it cannot meet the new FCC requirements in California without revisions to the rate structure provision contained in the Amended Master Agreement and in the First Amendment to the Amended Master Agreement. Sprint has also informed the DDTPAC that if the DDTPAC desires to extend the term of the Amended Master Agreement and the First Amendment to the Amended Master Agreement beyond October 11, 2001, Sprint is prepared to provide CRS in California after that date as the primary provider. Accordingly, the parties have agreed to make requested rate structure and term changes to the parties' agreement subject to the approval of the CPUC.

Therefore, in consideration of the mutual covenants contained herein and for other valuable consideration, the parties agree as follows:

1. Section 7 of the Master Agreement, Paragraph 5 of the Amended Master Agreement, and Paragraph 1 of the First Amendment to Amended Master Agreement are replaced with the following:

“From January 1, 2001, through June 18, 2001, the Contractor shall be reimbursed for invoices submitted based on actual monthly call volumes billed at the rate of \$1.38 per conversation minute plus any additional cost items approved by both the DDTP and the CPUC, subject to meeting the conditions described below and in the Master Agreement, as amended by the Amended Master Agreement and by the First Amendment and this Second Amendment to the Amended Master Agreement. From June 19, 2001 through October 11, 2001, the Contractor shall be reimbursed for invoices submitted based on actual monthly call volumes billed at the rate of \$1.39 per conversation minute plus any additional cost items approved by both the DDTP and the CPUC, subject to meeting the conditions described below and in the Master Agreement, as amended by the Amended Master Agreement and by the First Amendment and this Second Amendment to the Amended Master Agreement.

Effective October 12, 2001, the DDTP shall designate the Contractor as the Primary Contractor or Primary Provider under the terms of the Master Agreement as amended. The DDTP shall designate all other providers, if any, during the Extension Period as Secondary Contractors or Secondary Providers under the terms of the Master Agreement as amended. From October 12, 2001 through October 11, 2002 or later if extended at the DDTP's option, the Contractor shall be reimbursed for invoices submitted based on actual monthly call volumes billed at the rate of \$1.39 per conversation minute plus any additional cost items approved by both the DDTP and the CPUC, subject to meeting the conditions described below and in the Master Agreement as amended by the Amended Master Agreement and by the First Amendment and this Second Amendment to the Amended Master Agreement. The \$1.39 per conversation minute rate shall include and apply to Sprint's providing Speech-to Speech service as required by the Master Agreement as amended.

Sprint agrees to provide internet relay capability to the CRS. Due to the complexities of internet relay provisioning, the DDTP and Sprint will further define customer requirements and mutually agreed upon delivery dates after CPUC approval.

The \$1.38 per conversation minute rate and the \$1.39 per conversation minute rate shall apply irrespective of the volume of traffic carried by Contractor. No additional amount, including the premium set forth in Section 7 I.D. of the DDTP Invitation For Bid

for CRS ("II'B"), shall be payable to the Contractor. The parties agree that Section 7 I.D. of the II'B is void and deleted.

To receive the \$1.38 per conversation minute reimbursement rate, the Contractor must be fully compliant with all applicable FCC standards and with all current Master Agreement, Amended Master Agreement and First Amendment to Amended Master Agreement requirements.

To receive the \$1.39 per conversation minute rate from June 19, 2001, through October 11, 2002 or later if extended at the DDTP's option, the Contractor must be fully compliant with all FCC standards required during those time periods and with all Master Agreement, Amended Master Agreement and First Amendment to Amended Master Agreement requirements.

In order to determine whether the Contractor is in full compliance with the FCC requirements, the DDTP may monitor the Contractor's performance as provided in Section 12 of the Master Agreement. The DDTP may evaluate compliance with all contract requirements on a daily basis, to assure 100% compliance with any applicable standards or requirements.

The DDTP will not compensate the Contractor for any costs incurred for start up or termination of the operation of its CRS or for the Contractor's marketing efforts. Contractor agrees to expend an amount annually of not less than \$250,000 to promote the use of CRS within the State of California."

2. Section 2 of the Master Agreement, Paragraph 2 of the Amended Master Agreement, and Paragraph 3 of the First Amendment to the Amended Master Agreement are replaced with the following:

"This Agreement is effective upon signing by the Contractor and the DDTP and formal approval of the CPUC. The Second Amendment to the Amended Master Agreement shall take effect only if approved by the CPUC no later than at its first meeting in May 2001.

The term of this Agreement shall be from the date of CPUC approval through October 11, 2001, subject to availability of funds, unless earlier terminated by the DDTP in accordance with the termination provisions contained in Paragraphs 23 and 24 herein. The DDTP shall have the option to extend this Agreement for up to two one-year terms as further set forth in the II'B.

Effective October 11, 2001, and through October 11, 2002, the term of this Agreement shall continue with the Contractor designated as the Primary Provider under the terms of the Master Agreement as amended. The DDTP shall have the option to

further extend this Agreement on a month-to-month basis after October 11, 2002 as long as it provides the Contractor ninety (90) days' advance written notice of its desire to extend the Agreement's term for each additional month."

3. Effective October 12, 2001, the Contractor shall be prepared to assume, and if necessary shall assume, one hundred (100) percent of the CRS traffic in California. From the date of CPUC approval of this Second Amendment to the Amended Master Agreement through October 11, 2001, the liquidated damages provisions contained in Section 2 of the First Amendment to the Amended Master Agreement shall be unenforceable. Those provisions shall return to effect October 12, 2001.
4. Upon the formal approval of this Second Amendment to the Amended Master Agreement by the CPUC, the Contractor shall hire and retain throughout the remaining term of this Agreement at least two additional customer relations staff located in California to support its Project Manager located in California.
5. All other terms and conditions of the Master Agreement, the Amended Master Agreement, the First Amendment to the Amended Master Agreement, the IIB, and Sprint's response to the IIB remain in full force and effect.
6. Should any provision of this Agreement be held unlawful or otherwise unenforceable, such provision shall be severed and deemed deleted, and the remainder of this Second Amendment to the Amended Master Agreement shall continue in full force and effect as if such provision had never existed.
7. This Second Amendment to the Amended Master Agreement constitutes the entire Second Amendment to the Amended Master Agreement between the parties. No agreement, statement, or promise relating to the subject matter of this Second Amendment to the Amended Master Agreement, other than which is contained herein, shall be valid or binding. No changes, alternatives or modifications hereto shall be effective unless in writing and signed by a representative of each party authorized to bind said party. This Second Amendment to the Amended Master Agreement may be executed in counterparts, each of which will be deemed an original and all of which shall constitute one and the same instrument.